

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF SALT RIVER RECC)	
OF BARDSTOWN, KENTUCKY, FOR AN ORDER)	
AUTHORIZING THE APPROVAL OF A RETAIL)	CASE NO. 90-010
MARKETING RATE FOR SPECIAL RETAIL)	
APPLICATIONS)	

O R D E R

On January 12, 1990, Salt River Rural Electric Cooperative Corporation ("Salt River") filed a revision to its retail electric tariffs. The revision provides for an off-peak retail marketing rate for special retail applications ("retail marketing rate"), and will be available to customers already receiving service under Schedules A-5 Farm and Home Service and A-5T Farm and Home Service-Taxable.

The retail marketing rate filed by Salt River provides a 40 percent energy rate discount to Schedule A-5 and A-5T customers for all power used under specific marketing programs. These rates are offered in conjunction with the Marketing Rate of East Kentucky Power Cooperative's ("EKPC") Wholesale Power Rate Schedule A ("wholesale marketing rate") approved by the Commission in Case No. 10281.¹ EKPC's wholesale marketing rate provides a

¹ Case No. 10281, The Notice of East Kentucky Power Cooperative, Inc. of a Revision to Its Wholesale Electric Power Tariff to Implement a Wholesale Power Marketing Rate for Special Retail Applications.

20 percent wholesale energy rate discount to Salt River and EKPC's other member distribution cooperatives for all off-peak power used under designated marketing programs.

The initial application of Salt River's retail marketing rate will be for the use of Electric Thermal Storage ("ETS") devices. ETS is a technology that allows heat to be stored in one time period and used in another. Specifically, the ETS device, which is installed in the residential customer's home, is controlled by the utility to store heat at night during off-peak hours and to discharge heat as needed, with no contribution to peak load.

The Commission has previously allowed electric utilities to charge special rates for power used by ETS devices. In December 1986, the Commission authorized South Kentucky Rural Electric Cooperative Corporation and EKPC to conduct a 3-year pilot program involving ETS units. The load research data produced by that program indicates that ETS is a favorable off-peak load-building technique which improves load factor.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that Salt River's retail marketing rate should be approved.

IT IS THEREFORE ORDERED that:


1. Salt River's Schedule R-1 Residential Marketing Rate, as filed with the Commission on January 12, 1990, be and hereby is approved.

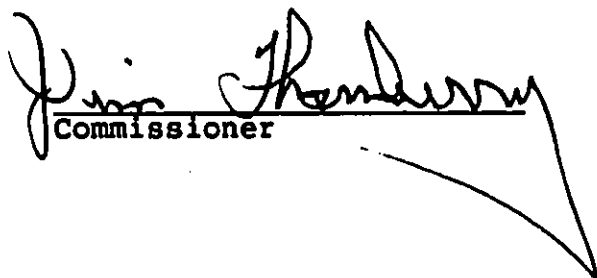
2. Within 20 days of the date of this Order, Salt River shall file with this Commission tariffs complying with the findings of this Order.

Done at Frankfort, Kentucky, this 13th day of February, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director